



IFRS on Point

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IFRS Foundation consults on global approach to sustainability reporting

The Trustees of the IFRS Foundation have published a consultation paper to assess demand for global sustainability standards and what role the Foundation might play in the development of such standards. One possible option outlined in the paper is for the Foundation to establish a new sustainability standards board.

If respondents believe that a sustainability standards board could and should be established by the IFRS Foundation, the consultation paper suggests a 'climate-first' approach, proposes that the board would initially focus its efforts on the sustainability information most relevant to investors and other market participants and could consider how to broaden its scope as it proceeds with its work, and discusses assurance aspects.

This followed a publication by the International Federation of Accountants (IFAC) titled *Enhancing Corporate Reporting: The Way Forward* calling for the creation of a new sustainability standards board that would exist alongside the International Accounting Standards Board (Board) under the IFRS Foundation and a statement of intent to work together towards a comprehensive corporate reporting system by five internationally significant framework and standard-setting institutions (CDP, the Climate Disclosures Standards Board (CDSB), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), and the Sustainability Accounting Standards Board (SASB)).

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Consultation paper** on the IFRS Foundation website
- **IFRS in Focus** on the Consultation Paper on IAS Plus
- **Enhancing Corporate Reporting: The Way Forward publication** on the IFAC website
- **Statement of Intent to Work Together Towards Comprehensive Corporate Reporting** from CDP, CDSB, GRI, IIRC, SASB
- **Purpose-driven Business Reporting in Focus—Progress towards a comprehensive corporate reporting system** on IAS Plus

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB Board meeting (September 2020)

The Board met via video conference on 22–23 September 2020.

The following topics were discussed:

- Lease Liability in a Sale and Leaseback
- Rate-regulated Activities
- Management Commentary
- Business Combinations under Common Control
- Extractive Activities

Please click to access the following:

- **IASB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Agenda and related agenda papers** on the IFRS Foundation website
- **Update to the work plan** on the IFRS Foundation website
- **Detailed notes** taken by Deloitte observers on IAS Plus

IFRS Interpretations Committee meeting (September 2020)

The IFRS Interpretations Committee met via video conference on 15 September 2020. During the meeting, the Committee decided to publish a new tentative agenda decision and provided feedback on a Board project.

New tentative agenda decision

- Sale and Leaseback of an Asset in a Single-Asset Entity
(IFRS 10 *Consolidated Financial Statements* and IFRS 16 *Leases*)

Interpretations Committee feedback

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction
(Amendments to IAS 12 *Income Taxes*)

Please click to access the following:

- **Agenda and related agenda papers** on the IFRS Foundation website
- **IFRIC Update** on the IFRS Foundation website
- **Detailed notes** taken by Deloitte observers on IAS Plus

IFRS Foundation issues *Investor Update* newsletter

The latest edition of the *Investor Update* newsletter discusses, among other things, the recent amendment to IFRS 16 *Leases* to add a practical expedient to help lessees account for COVID-19-related rent concessions and why the Board is looking into the presentation of supply chain finance arrangements.

Please click to access the **Investor Update newsletter** on the IFRS Foundation website.

Board Chair gives keynote speech to open the IFRS Foundation Virtual Conference

In his keynote speech at the IFRS Foundation Virtual Conference, Board Chairman Hans Hoogervorst spoke about sustainability reporting and how 'traditional' financial reporting can help to make climate-related financial issues more visible.

Please click to access the **full transcript of Mr Hoogervorst's speech** on the IFRS Foundation website.

Board publishes editorial corrections

The Board has published its second batch of editorial corrections in 2020. The new set of editorial corrections affects the Red Book and the annotated Red Book 2020 as well as the Blue Book and the annotated Blue Book 2020 regarding IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments* and the Glossary. The only stand-alone Standard affected is IFRS 17 *Insurance Contracts*.

Please click to access **editorial corrections page** of the IFRS Foundation website.

EFRAG publishes draft endorsement advice on IFRS 17

The Board of the European Financial Reporting Advisory Group (EFRAG) published a positive draft endorsement advice (DEA) on IFRS 17 *Insurance Contracts*.

The EFRAG Board achieved consensus on all issues with the exception of annual cohorts, with nine Board members voting in favour of the cohorts meeting the endorsement criteria and seven members disagreeing. Comments on the DEA are requested by 29 January 2021.

Please click to access the DEA and its appendices through the **press release** on the EFRAG website.

EFRAG questionnaire on goodwill

EFRAG has published a questionnaire and an invitation for interviews for preparers with active mergers and acquisitions agendas or material goodwill amounts in their financial statements.

Please click to access **more information** on the EFRAG website.

Summary report on EFRAG's preparers roundtable

In the workshop on the Board Exposure Draft *General Presentation and Disclosures*, which was undertaken jointly with Business Europe and the IASB Board on 1 September 2020, different preparers discussed potential implementation and application concerns and the possible need for additional guidance.

Please click to access **summary report** on the EFRAG website.

European Lab announces members of its task force on possible EU non-financial reporting standards

EFRAG has published a list of the members of a new project task force on preparatory work for the elaboration of possible EU non-financial reporting standards.

Please click to access **press release** on the EFRAG website.

Summary report of a field-test workshop with financial institutions on the Board's Primary Financial Statements proposals

EFRAG, in close coordination with the European national standard-setters and the IASB Board, is conducting field tests of the Board proposals included in Exposure Draft ED/2019/7 *General Presentation and Disclosures* published in December 2019. A report is now available from a field tests workshop held with financial institutions on 7 July 2020.

Please click to access more information on the **EFRAG website**.

FRC publishes thematic review findings on IFRS 15 and IFRS 16

The UK Financial Reporting Council (FRC) has published two thematic reviews to help companies improve the quality of their corporate reporting in relation to IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*.

Please click to access **press release** on the FRC website.

Communiqué from latest China-Japan-Korea accounting standard-setters meeting

A communiqué has been issued from a meeting of the standard-setters from China, Japan and the Republic of Korea held by video conference on 1 September 2020.

At this meeting, the delegates from the three countries provided updates on the recent application of IFRS Standards and the developments of the local accounting standards in their respective jurisdictions and had in-depth discussions on accounting issues related to COVID-19, consolidated financial statements and primary financial statements.

Please click to access the **full communiqué** on the Accounting Standards Board of Japan (ASBJ) website.

Integrated reporting and COVID-19

The South African Integrated Reporting Committee (IRC) has published *FAQ—Reporting in a time of crisis*. The publication explores where and how an organisation should show the impacts of the pandemic and the uncertainties that lie ahead in its integrated report.

Please click to access the **FAQ document** on the IRC website.

WEF issues publication on ESG framework

The World Economic Forum (WEF) has issued a publication titled *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*. The publication discusses the new environmental, social and governance (ESG) disclosure framework developed by the Big Four accounting firms.

Please click to access the following:

- Published **report** and **press release** on the WEF website
- **Purpose-driven Business Reporting in Focus—Progress towards a comprehensive corporate reporting system** on IAS Plus

Updates to Deloitte iGAAP manual

Available at dart.deloitte.com/iGAAP [on subscription only].

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A17 Leases	7.4.2-1	Reimbursement linked to leasehold improvements

Amended Deloitte guidance

Chapter	Reference	Deloitte guidance title
A8 Investment property	5.2.7-1	Fair value of investment property held under a lease

Deloitte IFRS communications and publications

Issuance Date	Description
3 September 2020	IFRS on Point—August 2020
23 September 2020	Purpose-driven Business Reporting in Focus—Progress towards a comprehensive corporate reporting system
30 September 2020	IFRS in Focus—Ground-breaking proposal from IFRS Foundation points to global standards for sustainability reporting

Comment letters

	Description	Receiving party	Date issued/ Comment deadline
Comment letter issued	Tentative agenda decision—<i>Supply Chain Financing Arrangements—Reverse Factoring</i>	IFRS Interpretations Committee	29/09/2020
	Exposure Draft—<i>General Presentation and Disclosures</i>	IASB	30/09/2020
Comment Letters Pending	Request for Information—<i>Comprehensive Review of the IFRS for SMEs Standard</i>	IASB	27/10/2020
	Tentative Agenda Decision—<i>Sale and Leaseback of an Asset in a Single-Asset Entity (IFRS 10 and IFRS 16)</i>	IFRS Interpretations Committee	23/11/2020
	Discussion Paper DP/2020/1—<i>Business Combinations—Disclosures, Goodwill and Impairment</i>	IASB	31/12/2020

Effective dates

Click **here** for upcoming and recent effective dates.

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosures literature. **iGAAP on DART** allows access to the full IFRS Standards, linking to and from:

- Deloitte's authoritative, up-to-date, iGAAP manuals which provide guidance for reporting under IFRS Standards; and
- Model financial statements for entities reporting under IFRS Standards.

To apply for a subscription to DART, click **here** to start the application process and select the iGAAP package.

For more information about DART, including pricing of the subscription packages, click **here**.

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